

Message Text

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46

ACTION SS-25

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O 061222Z FEB 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 8237

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EXDIS

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: CHEESE AND COUNTERVAILING

REF: A) EC BRUSSELS 820; B) EC BRUSSELS 01012

1. SUMMARY: THE EC HAS RE-ESTABLISHED RESTITUTIONS ON CHEESE EXPORTS TO THE US. IT HAS, HOWEVER, ELIMINATED PREFIXATION OF THESE RESTITUTIONS. THE RESTITUTIONS ON VARIOUS CHEESES EXPORTED TO CANADA HAVE BEEN REDUCED. END SUMMARY.

2. THE MILK MANAGEMENT COMMITTEE MET FEB. 5 AND AGREED TO NEW RESTITUTIONS ON CHEESE EXPORTED TO THE US. THE COMMISSION REGULATION PROMULGATING THESE RESTITUTIONS WILL PROBABLY BE PUBLISHED FEBRUARY 6. HOWEVER, LATE ON FEB. 5 RAYMOND SIMONNET OF HIJZEN'S STAFF GAVE US ORALLY THE FOLLOWING REPORT ON THE NEW RESTITUTIONS IN WHICH HE ALSO NOTED THE RESTITUTIONS THAT WERE IN EFFECT JUST PRIOR TO THE SUSPENSION OF RESTITUTIONS ON JULY 12, 1974, THE DIFFERENCE BETWEEN THE TWO RESTITUTIONS, THE EXPECTED WHOLESALE PRICE OF EC CHEESES IN NEW YORK, THE LATEST PRICES COLLECTED BY THE EC FOR COMPARABLE US CHEESES, AND THE PERCENTAGE GAP BETWEEN THE TWO PRICES:

A) CHEDDAR: NO RESTITUTION. (COMMENT: THE COMMISSION EXPECTS NO SALES OF EC CHEESES IN THE ABSENCE OF A LIMITED OFFICIAL USE

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RESTITUTION.)

B) PECORINO: NEW RESTITUTION 52 UNITS OF ACCOUNT PER 100 KG. OLD RESTITUTION 74.5. REDUCTION 30 PERCENT. EXPECTED PRICE OF ECH CHEESE, 189 CENTS PER POUND. US CHEESE, 128.75 TO 158.75 CENTS PER POUND. PRICE GAP 19 PERCENT.

C) EMMENTHALER: NEW RESTITUTION, 40. OLD RESTITUTION 47.5. REDUCTION 16 PERCENT. EC PRICE 134. US PRICE 80.5-112.5. GAP 18 PERCENT.

D) PARMESAN: NEW RESTITUTION 50. OLD RESTITUTION 54.5. REDUCTION 8 PERCENT. EC PRICE 256. US PRICE 128.5-165. GAP 55 PERCENT.

E) PROVOLONE: NEW RESTITUTION 40. OLD RESTITUTION 47.5. REDUCTION 16 PERCENT. EC PRICE 177. US PRICE 95.75-110.75. GAP 60 PERCENT.

F) MONTEREY: NEW RESTITUTION 34. OLD RESTITUTION 38. REDUCTION 11 PERCENT. EC PRICE 127. US PRICE 93. GAP 35 PERCENT. (SIMONNET NOTED THAT THE EC WOULD "RESPECT THE PRICE BREAK" OF 84 CENTS PER POUND.)

G) BLUE MOLD: NEW RESTITUTION 25. OLD RESTITUTION 42. REDUCTION 40 PERCENT. EC PRICE 154. US PRICE 107.5-118.5. GAP 30 PERCENT.

H) PROCESSED CHEESE: SIMONNET SAID HE HAD NOT NOTED THE SPECIFIC RESTITUTIONS FOR THE SUBCATEGORIES OF PROCESSED CHEESE, BUT HAD NOTED THAT THE REDUCTIONS IN THE RESTITUTIONS AMOUNTED TO AROUND 40 PERCENT.

3. WE WILL CHECK SIMONNET'S RESTITUTION FIGURES AS SOON AS THE OFFICIAL JOURNAL IS PUBLISHED.

4. SIMONNET SAID THAT THE MILK MANAGEMENT COMMITTEE HAD ALSO AGREED TO THE ENDING OF "PREFIXATION" OF RESTITUTIONS ON CHEESE EXPORTED TO THE US. (UNDER THE "PREFIXATION" SYSTEM, AN EXPORTER WAS GUARANTEED, FOR A PERIOD OF SIX LIMITED OFFICIAL USE

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MONTHS, THE RESTITUTION IN EFFECT ON THE DAY HE REGISTERED HIS EXPORT INTENTIONS.)

5. SIMONNET ALSO REPORTED THAT THE RESTITUTIONS ON EC CHEESE EXPORTS TO CANADA HAD BEEN REDUCED AND THAT THEY WOULD EQUAL THE RESTITUTION APPLICABLE TO EXPORTS TO THE US PLUS REPEAT PLUS THE FOLLOWING AMOUNTS:

A) EMMENTHALER, 10 UNITS OF ACCOUNT PER
100 KILOS.

B) BLUE MOLD, 10.

C) PARMESAN, 7.

D) PECORINO, 8.

E) PROVOLONE, 7.

F) GOUDA, 10. GREENWALD

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Message Attributes

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